

From: Seth DiStefano <sdistefano@wvpolicy.org>
Sent: 6/5/2019 12:21:41 PM
To: Roger Hanshaw
Subject: Re: Opportunity Zones and gentrification

This just came out recently and I think is well written:

<https://capitalandmain.com/are-opportunity-zone-tax-breaks-too-good-to-be-true-0604>



Are 'Opportunity Zone' Tax Breaks Too Good to Be True? | Capital & Main

capitalandmain.com

Labor & Economy Are 'Opportunity Zone' Tax Breaks Too Good to Be True? A federal program's critics say it provides questionable benefits for low-income communities and hastens gentrification — while awarding large tax breaks to the wealthiest.

From: Seth DiStefano
Sent: Friday, May 31, 2019 9:49:34 AM
To: roger.hanshaw@wvhouse.gov
Subject: Re: Opportunity Zones and gentrification

I forgot to send the other link. Here is the one on OZs and gentrification:

<https://itep.org/so-called-opportunity-zones-provide-opportunity-for-whom/>



So-Called Opportunity Zones Provide Opportunity for Whom?

itep.org

In early April, a diverse but mostly black crowd took to the streets in the Shaw neighborhood of Washington D.C. to protest T-Mobile's decision to order Metro PCS to cease playing gogo music. This tale is a shining example of why economic investment—especially taxpayer-incentivized investment—in underserved communities is fraught with controversy.

From: Seth DiStefano
Sent: Thursday, May 30, 2019 8:38:42 AM
To: roger.hanshaw@wvhouse.gov
Subject: Opportunity Zones and gentrification

Dear Mr. Speaker,

I wanted to pass along a few resources putting into perspective why I feel HB 113 is not good policy. The first is this paper from Mike Mazerov. It links to several other good resources:

<https://www.cbpp.org/blog/too-soon-for-states-to-consider-opportunity-zone-tax-breaks>



Too Soon for States to Consider "Opportunity Zone" Tax Breaks | Center on Budget and Policy Priorities

www.cbpp.org

I've noted that the new federal Opportunity Zone (OZ) tax incentive program will automatically cut state as well as federal taxes for individuals and corporations investing in distressed areas unless states "decouple" the relevant parts of their tax code from the federal code. That's bad enough, since states will sacrifice revenue to subsidize investments that often occur in

One of the resources linked in that one pager is this piece from the Institute on Taxation and Economic Policy pointing out the dangers low income communities, particularly communities of color, face from the incentivized gentrification that results from Opportunity Zones. Doubling down with state level incentives, I would argue, will only make this problem worse.

I would recommend allowing some time to see if the Federal law does what its proponents say it will do for low income communities before moving any further with increased incentives and I would absolutely dedicate an interim study to gentrification before moving forward with something like this.

I am happy to discuss any time.

Seth DiStefano
Policy Outreach Director
West Virginia Center on Budget and Policy
304.642.2004
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he/him/his

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To: "Rogez" <Hanshaw>
From: "Seth DiStefano" <sdistefano@wvpolicy.org>
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